

AFRICAN GROWTH AND OPPORTUNITY ACT



What is the African Growth and Opportunity Act?

- ▶ USG's signature trade initiative with sub-Saharan Africa.
- ▶ Established in May 2000.
- ▶ Provides more liberal access to the U.S. market than any of our other unilateral trade preference arrangements.
- ▶ Reinforces African reform efforts and improves access to capacity building through regional Trade Hubs.



2015 AGOA Renewal

On June 25, 2015 the Senate approved legislation to re-authorize AGOA until September 30, 2025. President Obama signed the “Trade Preferences Enhancement Act of 2015” on June 29, 2015.

- ▶ Provides a 10 year extension of AGOA;
 - ▶ Retains AGOA’s existing product coverage and includes third country fabric provision;
 - ▶ Enhances and streamlines trade capacity building;
 - ▶ Updates the eligibility criteria and review processes;
 - ▶ Updates rules of origin to encourage regional cumulation.
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Key Issues for AGOA

- ▶ Boosting AGOA utilization in the remaining ten years.
- ▶ Preparing for a more reciprocal U.S.-Africa trade and investment relationship.
- ▶ Ensuring Africa is not left behind as the rest of the world signs on to increasingly liberal “plurilateral” trade agreements.



AGOA Eligibility Criteria

African countries have to have established, or be making progress toward establishing:

- 1) a market-based economy;
- 2) rule of law, political pluralism, and right to due process;
- 3) elimination of barriers to U.S. trade and investment;
- 4) economic policies to reduce poverty;
- 5) a system to combat bribery and corruption; and
- 6) protection of internationally recognized worker rights.

Countries must not engage in :

- 1) activities undermining U.S. national security or foreign policy interests; or
- 2) gross violations of internationally recognized human rights.

Eligibility Determination

- ▶ President conducts an annual determination of beneficiary countries' adherence to eligibility criteria.
- ▶ On March 18, 2016, the U.S. Trade Representative introduced a new process to accept public comments to as part of the annual review.
 - ▶ Process closed April 18, 2016.
- ▶ Members of the public can now petition for an out-of-cycle review at any other time.
- ▶ 39 African countries are currently eligible for AGOA.



What Benefits Does AGOA Offer?

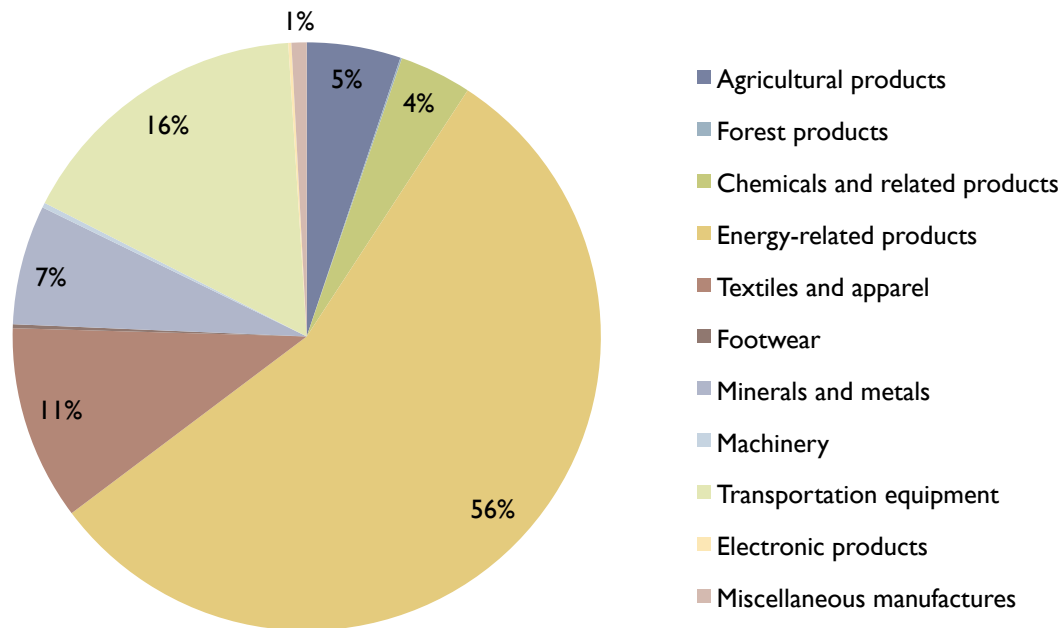
- ▶ **Duty-free** treatment to more than 6,400 products (with at least 35% African value-added):
 - ▶ >1,800 tariff lines in addition to the standard 4,600 through the General System of Preferences (GSP).
- ▶ Under a Special Rule (“**Third Country Fabric**” provision), lesser-developed countries can enjoy an *additional* preference of duty-and quota-free access for apparel made from fabric of any origin.
 - ▶ Botswana and Namibia eligible through a special exception



2015 AGOA Snapshot

- ▶ \$19 billion total exports ; \$9.3 billion under AGOA + GSP
- ▶ Top beneficiaries: South Africa, Angola, Chad, Nigeria, Kenya, Lesotho

AGOA including GSP provisions 2015



2015 AGOA Exports from the Region

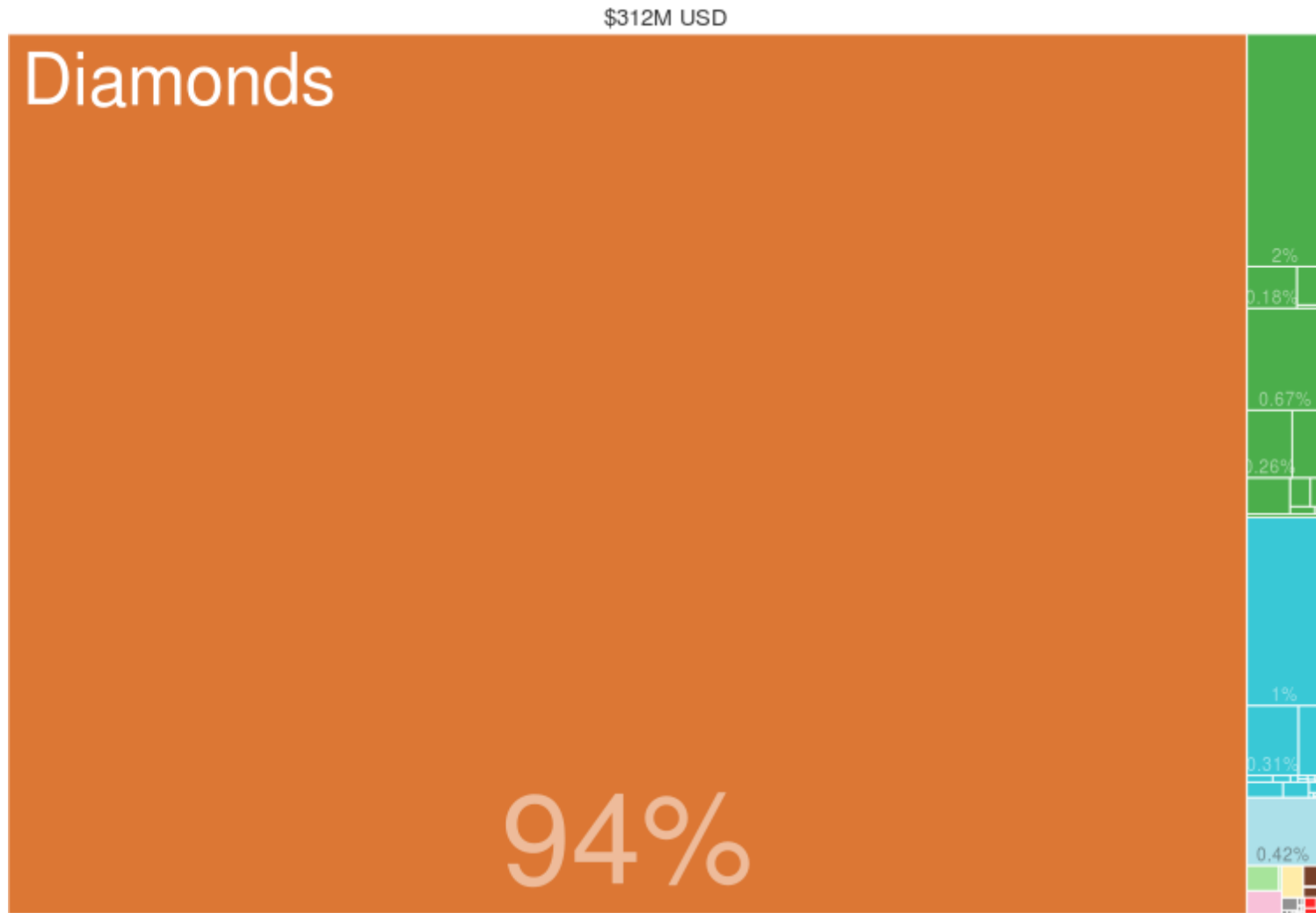
(Source: U.S. International Trade Commission)

- ▶ South Africa: \$2.9 billion
- ▶ Angola: \$1.8 billion
- ▶ Lesotho: \$299 million
- ▶ Malawi: \$49 million
- ▶ Mozambique: \$9 million
- ▶ Botswana: \$8 million
- ▶ Zambia: \$4 million
- ▶ Namibia: \$0
- ▶ Swaziland and Zimbabwe: Not Eligible

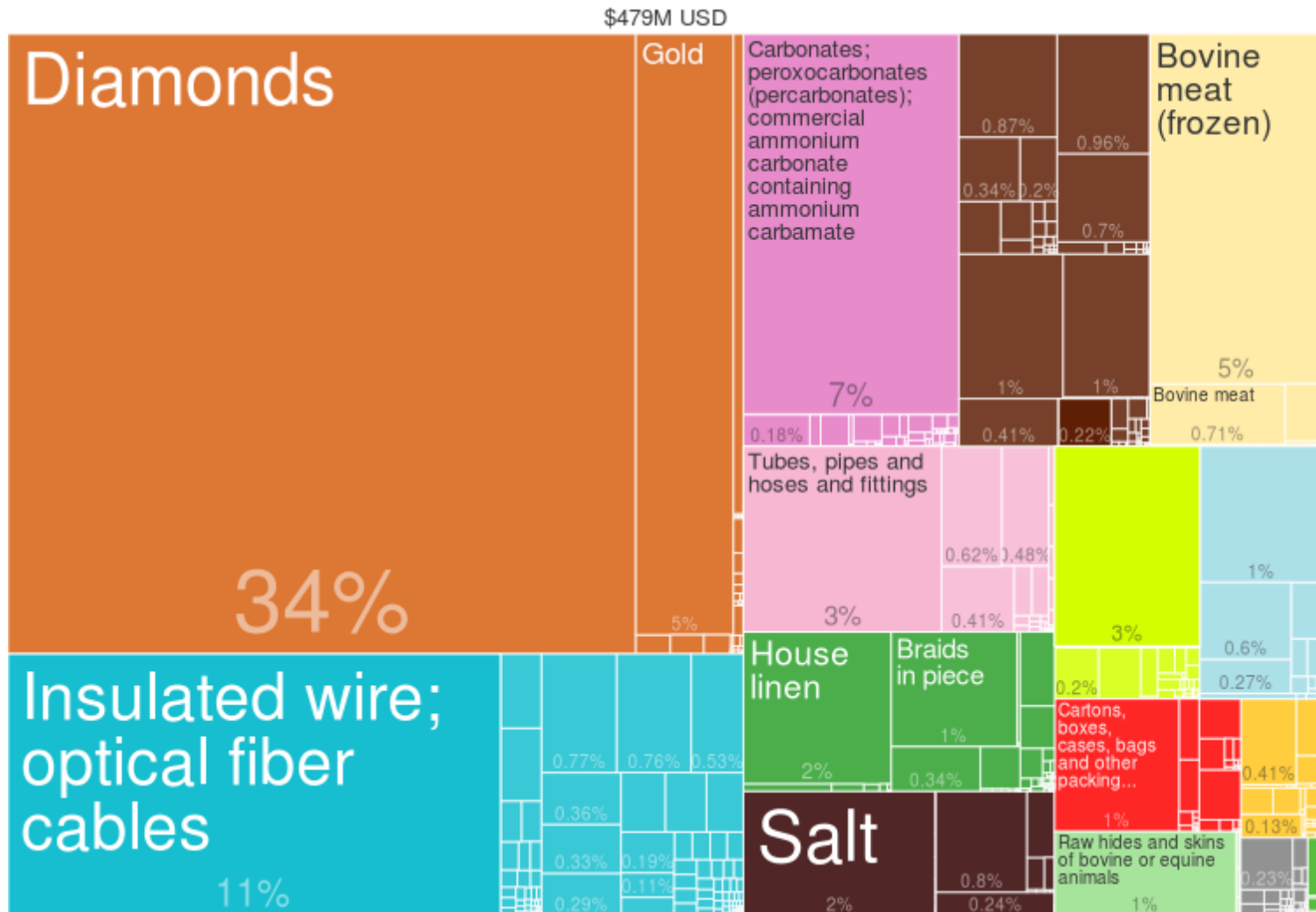


Botswana Exports to the U.S. in 2014

(Source: Harvard's Atlas of Economic Complexity)



Botswana Exports to South Africa in 2014



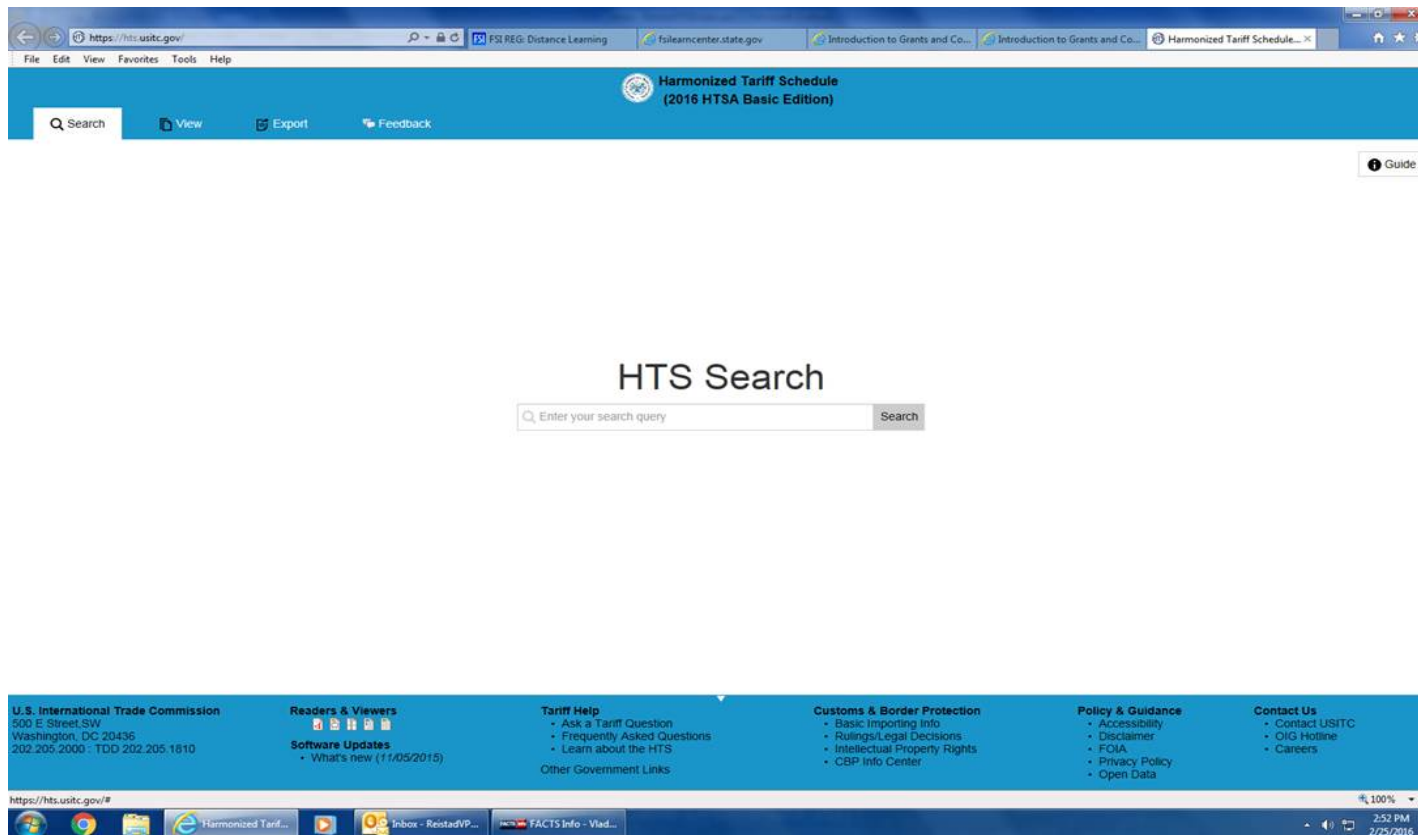
Key AGOA Eligible Products

- ▶ Apparel and footwear
- ▶ Leather
- ▶ Certain motor vehicle components
- ▶ A variety of agricultural products
- ▶ Arts and crafts
- ▶ Chemicals and steel
- ▶ Full product list at
<http://agoa.info/about-agoa/products.html>



Looking for a Specific Product?

- ▶ Visit the U.S. Harmonized Tariff Schedule
- ▶ Consult the U.S. Trade Representative's guide





EXPORTER READINESS

Doing business with the United States can be very rewarding. At the same time, it is a challenging undertaking that requires producers and exporters to be well-equipped to deal with. This section provides resources on helping to guide the Africa-based exporter to successfully trade with the United States.



DOWNLOADS



Doing business with the United States

This presentation by the West Africa Trade Hub covers the following: Common Myths US Business Culture West African Business Culture -Practicalities Bridging the Gap Market

AUTHOR VANESSA ADAMS
ORGANISATION WA TRADEHUB
VIEW DETAILS **SIZE:** 988 KB

Competitiveness



Export readiness assessment

The following "Export Readiness Assessment" is a set of questions designed to assess how prepared your company is to begin exporting to the U.S. The test is designed to identify weak areas in your company's planning so they can be redressed before...

AUTHOR BELISA DE LAS CASAS AND LUKE ZAHNER

LATEST NEWS



Trade between the United States and AGOA countries continues to decline



US poultry on its way to South Africa



Apparel sourcing: Is Africa ready for a rush?



Direct shipping service from Gulf of Mexico to West Africa signals diversifying AGOA trade



AGOA: US investments in Ethiopia climb to \$4 billion in 2015



Swaziland to fulfill ILO benchmarks in June – sources

US wants to see

AGOA Resources

- ▶ AGOA.info Exporter Toolkit
 - ▶ Export readiness assessment
 - ▶ Guide on doing business with the U.S.
 - ▶ A guide for small foreign exporters
 - ▶ Information on health safety measures
 - ▶ Sample national AGOA strategies
- ▶ 2003 Customs and Border Patrol (CBP) Handbook
 - ▶ Procedures and record keeping for value-added determinations
 - ▶ CBP procedures and requirements



Key Websites

- ▶ General: <http://agoa.info>
- ▶ Harmonized Tariff System: <https://hts.usitc.gov/>
- ▶ USTR Guide:
<http://trade.gov/agoa/eligibility/product-eligibility.asp>
- ▶ CBP Handbook:
<http://www.cbp.gov/trade/priority-issues/trade-agreements/special-trade-legislation/african-growth-and-opportunity-act>
- ▶ U.S. Embassy: <http://botswana.usembassy.gov/>

